

# **EXHIBIT I**

Laws of Puerto Rico Annotated Currentness

Title 19. Negotiable Instruments

Subtitle 2. Commercial Transactions

Chapter 55A. Secured Transactions

Subchapter III.. Perfection and Priority

19 L.P.R.A. § 2265

§ 2265 Secured party's rights on disposition of collateral and in proceeds

(a) Disposition of collateral: continuation of security interest or agricultural lien; proceeds. Except as otherwise provided in this chapter:

- (1) A security interest or agricultural lien continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien;
- (2) a security interest attaches to any identifiable proceeds of collateral, and
- (3) a person to whom collateral has been disposed incurs no personal liability on account of an unauthorized transfer unless it has failed to act in good faith.

(b) When commingled proceeds identifiable. Proceeds that are commingled with other property are identifiable proceeds:

- (1) If the proceeds are goods, to the extent provided by § 2286 of this title, and
- (2) if the proceeds are not goods, to the extent that the secured party identifies the proceeds by an acceptable method of tracing.

(c) Perfection of security interest in proceeds. A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

(d) Continuation of perfection. A perfected security interest in proceeds becomes unperfected on the 21st day after the security interest attaches to the proceeds unless:

- (1) The following conditions are satisfied:
  - (A) A filed financing statement covers the original collateral;
  - (B) the proceeds are collateral in which a security interest may be perfected by filing in the office in which the financing statement has been filed, and
  - (C) the proceeds are not acquired with cash proceeds;
- (2) the proceeds are identifiable cash proceeds; or

(3) the security interest in the proceeds is perfected other than under subsection (c) of this section when the security interest attaches to the proceeds or within twenty (20) days thereafter.

(e) When perfected security interest in proceeds becomes unperfected. If a filed financing statement covers the original collateral, a security interest in proceeds which remains perfected under subsection (d)(1) of this section becomes unperfected at the later of:

(1) When the effectiveness of the filed financing statement lapses under § 2335 of this title or is terminated under § 2333 of this title, or

(2) the 21st day after the security interest attaches to the proceeds.

#### Credits

Sept. 19, 1996, No. 241, added as § 9-315 on Jan. 17, 2012, No. 21, § 11, eff. 1 year after Jan. 17, 2012.

19 L.P.R.A. § 2265, PR ST T. 19 § 2265

The Constitution, statutes, and court rules are current through all acts translated by the Translation Office of the Puerto Rico Government through the 2010 Legislative Session and various acts from 2011 to February 2018.

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